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ABSTRACT

This digest compares the efforts of the United States and of other member countries of the Organization for Economic Co-operation and Development (OECD) to finance center- and facility-based preschool. In many OECD countries, public preschool is more widely available than in the United States. For example, in France, 100%, and in Italy, approximately 92%, of children age 3 through 5 attend preschool. In the United Kingdom and the Netherlands, all 5- and almost all 4-year-olds, and in Belgium, 95% of 3- to 5-year-olds, attend a public preschool program. Many public preschool programs in OECD countries and some programs in the United States are financed through multiple sources. There are two major differences in the ways this funding is provided. First, most U.S. publicly funded programs are targeted for poor and disabled children, while in other countries all children are included in public preschool. Second, in OECD countries, different funding sources finance different parts of a comprehensive program or target different ages entirely, whereas in U.S. publicly financed programs, most of which target individuals in the same population of poor children, there is greater fragmentation of services and conflicting eligibility requirements. In the United States, the private sector has traditionally been the major supplier of early childhood education and care. Recent research, however, has found that sites operated by public agencies, receiving public funding, or sponsored by employers provided higher quality programs than sites that were financed only by parent fees. (BC)

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Financing Preschool for All Children

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Many countries have already achieved or substantially met the universal preschool goal which U.S. states set as a target for the year 2000. Generally, the Ministry of Education in other countries provides free, public kindergarten or similar educational programs for most children aged 5, as do most U.S. school districts. However, many other countries, along with some U.S. school districts, also include children at ages 4 and 3 in their provisions for public education. In drawing education parallels internationally, comparisons of other countries with U.S. states are more relevant than with the nation as a whole. Individual U.S. states are comparable economically to the nations (other than the U.S., which is a member) of the Organization for Economic Co-operation and Development (OECD) (Moss, 1990; OECD, 1993). This digest compares the efforts of U.S. states and OECD countries to finance center- and facility-based preschool.

Access to Publicly Financed Early Childhood Programs

In many other countries, public preschool is more widely available than in the U.S., where 66 percent of 5-year-olds, 36 percent of 4-year-olds, and 14 percent of 3-year-olds are enrolled in public programs (GAO 1995).

Two OECD countries considered very successful in providing almost universal access to public preschool are France and Italy. France established free public education in 1881, including preschool as the first level. Today in France, 100 percent of children ages 3 through 5 attend preschool, most in public programs. In Italy, municipal governments began opening preschools in the 1950s, and by 1968 the national government established free preschools for virtually all children. Today in Italy, about 92 percent of children ages 3 through 5 attend preschool, most in public programs.

The following statistics on public preschool enrollment have been reported to OECD or the European Union. Data by single year of age and private enrollments are not available for all countries (GAO, 1995; Moss, 1990; OECD, 1993).

- *Denmark and Germany.* 80 percent of 5-year-olds, 70 percent of 4-year-olds, and 30 percent of 3-year-olds.
- *United Kingdom and the Netherlands.* Compulsory schooling at age 5; almost all 4-year-olds also attend.
- *Belgium.* About 95 percent of children aged 3-5.
- *Luxembourg.* Nearly all 4-year-old children.
- *Greece.* 65-70 percent of 3- to 5-year-olds.
- *Spain.* Over 90 percent of 4- to 5-year-olds.

According to data from the 1990 decennial U.S. census, participation rates in preschool, including both public and private programs, are 81 percent of 5-year-olds, 50 percent of 4-year-olds, and 30 percent of 3-year-olds. Some states have achieved considerably higher rates of enrollment than these national averages by providing coverage through public schools. Income is the best predictor of participation, and most poor children are not enrolled (GAO, 1994). Those poor children who do participate are mostly in public programs, such as Head Start and preschool programs in public schools (GAO, 1993). These percentages provide a rough indication of the need for greater access to preschool programs.

Comparative Wealth and Educational Expenditures of U.S. States and OECD Countries

The 1993 International Indicators Project of the U.S. Department of Education compared the gross state product per capita with the gross domestic product per capita of OECD countries as of 1988. The report of this project (Salganik et al., 1993) explains that the gross domestic or state product shows the resources available to a country or state. According to the report, countries or states that have large gross products per capita have higher capacity for investment and thus are better able to provide educational services. From this comparison, we find that most U.S. states have a higher capability of providing educational services than many countries that have provided far more for their children.

Twenty-two U.S. states had a higher per capita income (PCI) than Switzerland, the OECD country with the highest PCI; 38 states had a higher PCI than Luxembourg and Germany; 45 states had a higher PCI than Australia, Japan, Sweden and Denmark. All 50 states had a higher PCI than New Zealand, Spain, Ireland, Portugal, and Turkey (Salganik et al., 1993).

The state and country per-student expenditures for education for preprimary through secondary levels, cited in the report mentioned above, reflect the public investment in each student in the education system. Of the 22 U.S. states that had higher per capita income than Switzerland, only 3 spent more per student at all levels combined, preprimary through secondary, in 1988. Luxembourg, Sweden, Norway, and Denmark all spent more than the U.S. national average, while Italy spent more than six U.S. states.

Multiple Funding Sources

These statistics on educational investments actually underestimate the investments made in OECD countries because they do not account for regional and local government expenditures. In some cases, local governments

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match or provide complementary funding along with the national contribution for their early childhood programs. The diversity of funding sources has been an effective strategy in helping to promote wide access to programs.

In Denmark, for example, the early childhood program is financed by multiple sources, including: (1) two block grants to municipal governments; (2) revenues collected through local taxes; and (3) parent contributions, which can be only as high as 30 percent of the actual per-child program cost.

In France, teacher salaries are a national expenditure through the Ministry of Education, while local governments provide for facilities, lunches, auxiliary staff, and after-school care. Parents may pay a nominal share of some costs, such as for meals and after-school and vacation care (GAO 1995).

In U.S. states, public school kindergarten programs are similar to programs in many OECD countries. Funding for the kindergarten year, like other years of compulsory schooling, involves multiple levels of government financing of various aspects of the schooling. Some preschool classes in U.S. public schools are also financed through multiple levels of government, but there are two major differences in this funding compared to funding in some OECD countries:

- Most U.S. public programs are targeted exclusively for the poorest children and for disabled children, while in other countries all children are included in the regular preschool classes, and children with various special needs receive additional benefits.
- In other countries, financing is complementary so that various sources fund different parts of a single, comprehensive program or target different ages entirely, thus avoiding the fragmentation and conflicting eligibility requirements of publicly financed U.S. programs, almost all of which are targeting various qualifying individuals in essentially the same population of poor children.

Private Sector Early Childhood Programs

Because the private sector, financed almost exclusively by parent fees, has traditionally been the major supplier of early childhood education and care in the United States, interest has recently increased in examining how these sites contribute to child development. A U.S. research study (Helburn et al., 1995) designed to examine the relationships among the costs of child care, the nature of children's experiences in various center settings, and the effects of these experiences on children found that while sites vary widely within and between states and among the various types of providers, quality was generally poor.

The study found that 76 percent of 511 child care centers and preschool classrooms were rated less than good quality. Further, "...most U.S. child care is mediocre in quality, sufficiently poor to interfere with children's emotional and intellectual development." The conclusion reached by the study was that market forces "constrain the cost of child care and at the same time depress the quality of care provided to children" (Helburn et al., 1995).

The study also found that sites operated by public agencies, such as public schools, sites receiving direct public funding, and employer-sponsored sites generally provided higher quality programs than sites that did not have access to financial support other than parent fees (Helburn et al., 1995).

Conclusion

Many OECD countries that are far less capable financially than most U.S. states have been making far greater investments in educating their young children than have U.S. states. In these countries, there is a shared belief in the value of public investments to ensure the care of children, and strong public support for early childhood programs across a spectrum of political persuasions. Furthermore, given recent research indicating the general inability of the U.S. private sector to achieve broad coverage or high quality in preschool education and care without some means of additional support beyond tuition, U.S. states would be well-advised to focus additional expenditures on children. Increasing investments in children will strengthen the foundation that is critical to the education of tomorrow's citizenry.

For More Information

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